



Ruthanne Fuller  
Mayor

Barney Heath  
Director  
Planning & Development

Gabriel Holbrow  
Community Planner  
Engagement Specialist  
Planning & Development

**Members**

Peter Doeringer, Chair  
Kelley Brown, Member  
Sudha Maheshwari, Member  
Jennifer Molinsky, Member  
Sonia Parisca, Vice Chair  
Chris Steele, Member  
Barney Heath, *ex officio*  
Kevin McCormick, Alternate  
James Robertson, Alternate

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## PLANNING & DEVELOPMENT BOARD MEETING MINUTES

Joint Meeting with the Community Preservation Committee  
February 11, 2020

**Members Present:**

Peter Doeringer, Chair  
Kelley Brown, Member  
Sudha Maheshwari, Member  
Kevin McCormick, Acting Member  
Jennifer Molinsky, Member  
James Robertson, Acting Member  
Barney Heath, Ex-Officio

**Community Preservation Committee (CPC) Members Present:**

Mark Armstrong, Chair  
Dan Brody, Vice Chair  
Bryon Dunker  
Richard Kronish  
Susan Lunin  
Peter Sargent  
Martin Smargiassi

**Staff Present:**

Eamon Bencivengo, Housing Development Planner  
Amanda Berman, Director of Housing and Community Development  
Gabriel Holbrow, Community Planner – Engagement Specialist, staff to the Board  
Lara Kritzer, Community Preservation Program Manager, staff to the CPC  
Tiffany Leung, Community Development Planner

**Others Present:**

GB Brigham  
Joanne Fuentes, Newton Community Development Foundation  
Lizbeth Heyer, Chair, Newton Housing Partnership  
Kathy Laufer  
Bart Lloyd  
Vincent O'Donnell, Commissioner, Newton Housing Authority  
Jeanne Stickland, Executive Director, Newton Community Development Foundation  
Amy Zarechian, Executive Director, Newton Housing Authority

Meeting held at the Newton Senior Center, 345 Walnut Street, Newtonville

**1. Substantial Amendment to FY19 and FY20 Annual Action Plans and FY16-FY20 Consolidated Plan and Pre-Commitment of FY21 Funds: Newton Housing Authority's Request for CDBG Funds to Support the Acquisition and Preservation of the 33-Unit CAN-DO Portfolio**

Community Preservation Committee (CPC) Chair Armstrong opened the public hearing at 7:00 p.m.

Ms. Zarechin, Executive Director of the Newton Housing Authority (NHA), gave a presentation on the NHA's proposal to use \$1,105,000 of Community Preservation Act (CPA) funds and \$1,200,000 of Community Development Block Grant (CDBG) funds to support the acquisition and preservation of 33 units of affordable housing currently owned by CAN-DO. Following her presentation, Ms. Zarechin took questions from members of the CPC and the Board.

Mr. Brody asked who is managing the portfolio now, and when NHA will take over management. Ms. Zarechin explained that the Newton Community Development Foundation (NCDF) has stepped in. NCDF is collecting rent, making sure that maintenance is getting done, and paying bills. NHA will take over management after closing, which they hope to do in April.

Chair Doeringer noted that the overall request for funds in the final proposal has come down from early versions of the proposal. He asked if some of the reduction in CPA funds could instead be used to fund supportive services. Ms. Zarechin noted that the budget for supportive services has gone up in the final proposal, but that supportive services are not eligible for CPA funding.

Ms. Molinsky asked how much confidence NHA has in the accuracy of the capital needs and adequacy of the replacement reserve. Ms. Zarechin stated that NHA really heard the comments from the Newton Housing Partnership, particularly from member Steve Tise who is an architect and has a lot of experience about unanticipated costs. In response, NHA increased the supportive services budget by \$1000 per unit and increased the capital needs costs by 15%. NHA is also working with Doug Desmarais, the Planning & Development Department's Construction Manager, to identify CDBG-eligible rehab costs from the capital needs assessment and develop a scope of services, including estimates of actual costs, for rehab projects across all twelve properties. NHA is very confident in the increased budget for capital needs.

Mr. Sargent asked why the proposal includes new mortgages on only six of the twelve properties in the portfolio. Ms. Zarechin explained that there are four properties with existing state soft debt that would not be subjugated. Mr. Sargent noted that it is unusual for a proposal to use CPA funds to pay off debt. Ms. Zarechin stated that using CPA funds to pay down debt was chosen by staff based on the program restrictions for use of CPA and CDBG funds. She noted that the NHA has used CPA funds to pay down debt in the past.

Mr. Brody asked to clarify who the CPA funding would be paid to. Ms. Zarechin stated that the CPA funds would be paid directly to the banks to eliminate existing debt. She explained that the NHA still needs to work with the City on the exact process at closing, but CAN-DO will not be receiving any of this funding going forward after closing.

Director Heath noted that Planning Department staff, including former Community Preservation Program Manager Alice Ingerson, had worked hard with the applicants over many months to address the issues and concerns raised by the project. Mr. Bencivengo gave a brief presentation summarizing the Planning Department memo on the proposal.

The Chairs invited members of the public to speak.

Ms. Strickland, Executive Director of the Newton Community Development Foundation (NCDF), noted that NCDF is currently managing the portfolio. She stressed the importance of maintaining these units for the families that live in them, some of whom are Newton's most vulnerable. She stated that she has been very impressed with NHA's process. In particular, she noted that NCDF staff had identified that NHA would likely need to hire a property manager and a maintenance

superintendent to oversee the scattered-site properties, so she likes that these two positions are included in the NHA's proposal. She looks forward to the NHA taking over these properties.

Ms. Heyer, Chair of the Newton Housing Partnership, emphasized the importance of these units dedicated to low and very low-income households and the importance of preserving them and stabilizing them into the future. She appreciated the thoughtful work shown in the proposal on capital needs and the addition of more money for services to support residents. She encouraged the Board and the CPC to support the proposal. She thanked NHA for stepping up.

Ms. Laufer noted that she had submitted a letter in support of the proposal and was assured that the Board and the CPC had the letter. Members of the Board and the CPC confirmed that they had received her letter in the packet of materials for the proposal.

Upon a motion by Chair Doeringer, seconded by Ms. Maheshwari, the Board voted 6-0-1 (Director Heath abstaining) to close the public hearing at 7:30.

The Board and the CPC deliberated together on the proposal.

Mr. Kronish stated that he was a member of the NHA's Board of Commissioners. He expressed his opinion that the application was clear and to the point, explaining the importance of these units and the necessary social services that would be included. He confirmed that the NHA could handle the additional units and had a contract ready for their management.

CPC Chair Armstrong noted that the CAN-DO portfolio's units wood frame construction located on scattered sites made them more expensive to maintain. He expressed his opinion that although the per unit costs are high, this is an opportunity and valuable use of funds.

Mr. Sargent expressed satisfaction that all of the questions and issues with earlier versions of the proposal have been answered. He expressed his opinion that preserving affordable housing for low and very low-income households is the highest and best use of CDBG funds. He noted that only 32% of the project funding was requested from CPA funds, which showed that the project was well leveraged and a good use of the funds. He agreed that low-income housing was very expensive to develop and noted that the new The Village Bank (TVB) loan would allow them to start anew and is well underwritten. He agreed that the proposed operating reserve was necessary for the scattered site housing and allowed for critical needs to be met. He thought that the applicants had addressed the CPC's questions and that the revisions and responses were a big improvement.

Ms. Molinsky asked why the CDBG funding would require amending the Consolidated Plan and whether approving the proposal would require reallocating any CDBG funding away from other projects. Ms. Berman explained that this project had not been contemplated when the existing Consolidated Plan and Annual Action Plans were written. Therefore, the proposed change in the use of funds is considered a substantial amendment to the Plan. This is a technical requirement of the U.S. Department of Housing and Urban Development (HUD). The proposal is asking the Board to fund the project and take action to amend the necessary Plans. Ms. Berman added that the proposal also uses FY21 pre-commitment funds and would be coming back to the Planning Board in the next month for inclusion in the FY21 Annual Action Plan. Ms. Berman further explained that the proposal would use unallocated housing funds that staff have kept available in anticipation of this proposal. Mr. Sargent noted that there is a timeliness issue for FY19 and FY20 CDBG funds because you must use it or lose it. Ms. Berman confirmed that if this proposal is not approved, the CDBG program will be in a tough position for timeliness of use of FY19 and FY20 funds.

Mr. Brown asked when FY21 CDBG funds would be available. Ms. Berman replied that staff expects to receive FY21 funds from HUD in September or October 2020. As the CDBG funding to the NHA is reimbursement-based and the FY21 funds are for rehab work that will take six months or more at the soonest, the funds should be in hand well before they need to be used to reimburse the NHA.

Mr. Brown noted that the capital needs listed in the proposal are overly precise, as necessary for budgeting purposes. However, he would like the Board to have more information about the real assessment of costs before the NHA begins work. Director Heath offered that staff will report to the Board through the process to keep Board members up to date on the capital needs costs.

Upon a motion by Chair Doeringer, seconded by Ms. Molinsky, the Board voted 6-0-1 (Director Heath abstaining) to approve the request for a substantial amendment to the FY19 and FY20 Annual Action Plans and FY16-FY20 Consolidated Plan and a conditional pre-commitment of FY21 funds to provide support of \$1,200,000 for the Newton Housing Authority's acquisition and preservation of the 33-unit CAN-DO portfolio, with the following pre-conditions:

- a) The use of FY21 CDBG funds must be formally approved by the Planning & Development Board at the April 6, 2020 Public Hearing on the FY21 Annual Action Plan.
- b) Project cost savings are returned proportionally to the respective grant program(s) upon completion.
- c) CDBG funds cannot be committed until firm commitments are received from all other sources identified in the most recent budget.
- d) CDBG funds also cannot be committed until completion of the Environmental Review Record and HUD issues the Authority to Use Grant Funds.
- e) Project sponsor, the Newton Housing Authority, will work collaboratively with Planning staff to develop appropriate scopes of work related to the \$551,352 allocation for CDBG-eligible rehab costs connected to the portfolio's identified capital needs. Planning staff will manage the competitive bid process in conjunction with the Purchasing Department in accordance with the City's Procurement Policy for Affordable Housing Projects, as well as HUD regulations. These rehab projects will be overseen in part by the Department's Construction Manager to ensure the proper expenditure of CDBG funds.
- f) Project sponsor must report to the Planning and Development Board at various benchmarks throughout implementation of the project:
  1. Following the successful acquisition of the entire 33-unit portfolio;
  2. Three months following the start of project construction to report on progress;
  3. At the completion of CDBG rehab construction;
  4. A project report every year thereafter for the following two years and then as needed;
  5. A final report to staff and the Board once all CDBG funds have been expended.

Following the Board's vote to approve the use of CDBG funds, the CPC unanimously passed a motion to approve the use of CPA funds.

## **2. Adjournment**

Upon a motion by Mr. Brown, seconded by Ms. Molinsky and unanimously approved, the meeting was adjourned at 7:48 p.m.

Minutes submitted by Gabriel Holbrow, staff to the Board. Minutes approved by the Board on March 2, 2020.

### **Attachments:**

- A. Presentation from the Newton Housing Authority
- B. Presentation from Planning & Development staff